



Special Notice

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Legislation Affecting the California Film and Television Tax Credit Programs

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The California Film & Television (Film & TV) Tax Credit Program, administered by the [California Film Commission](#) (CFC), allows qualified taxpayers a tax credit against income and/or sales and use tax liabilities based on qualified expenditures for film and television shows produced in California. Recently enacted legislation ([Assembly Bill 1839](#)) makes significant changes to the program; establishing a New Film & TV Tax Credit Program for taxable years beginning on or after January 1, 2016.

Application of Tax Credit Against Sales and Use Tax Liabilities Recap

Under the Film & TV Tax Credit Program, if you are a qualified taxpayer who has been issued a certified Tax Credit Certificate by the CFC, or if you are an affiliate of a qualified taxpayer that has been assigned unused credits, you may qualify to use credits to obtain a refund on qualified sales and use taxes. You, or your assignee, may make an irrevocable election to apply the tax credit against your sales and use tax liabilities. In the case of an assignee, prior to making the election, the tax credit must have been assigned on your California franchise or income tax return. The rules for assigning credits are administered by the [California Franchise Tax Board](#) (FTB).

How to Claim the Credit

To file a claim for refund of sales and use tax, you must complete [BOE-318, Claim for Refund and Irrevocable Election to Apply Credits Against Qualified Sales and Use Tax](#), found on our website. For more information on applying tax credits against sales and use tax liabilities, please visit www.boe.ca.gov/industry/film_tv_tax_credit.htm.

Changes to the CFC Film & TV Tax Credit Program

Please visit the CFC website at www.film.ca.gov/Incentives.htm for key changes and up-to-date information on the Film & TV Tax Credit Program including, but not limited to:

- A new ranking system that replaces the current lottery system,
- Funding increase from \$100 million to \$330 million per fiscal year,
- Expansion of eligibility to big-budget feature films, one-hour TV series, and TV pilots, and
- Elimination of budget caps for studio and independent films.

Eligible Period

The first application period for the New Film & TV Tax Credit Program is in May 2015 and is for TV only. Productions may not begin principal photography prior to receiving a credit allocation, which will be issued on or after July 1, 2015. Application periods for other categories will be announced by the CFC.